ANNUAL REPORT 2009-10

2009-2010 ANNUAL REPORT

The Ministry's mandate expanded in 2009-10 to lead the business and economic aspects of forestry, including industrial strategy, forest sector competitiveness programs, Softwood Lumber and wood allocation, pricing and licensing.

To support new initiatives and existing ministry programs, the government, through the Ministry of Northern Development, Mines and Forestry, invested over $1.2 billion in the North and in Ontario's mineral and forestry sectors in 2009-10.

NORTHERN HIGHWAYS AND WINTER ROADS

For 2009-10, the ministry invested approximately $648 million in northern highway rehabilitation and expansion to improve road safety, quality of life for northerners and spur economic development. Highlights include:

- About $295 million for system Expansion (four-laning) and Safety Initiative projects.
- About $353 million for system Rehabilitation, including additional funding for bridges.
- Work continued on Highway 11 and 69 four-laning as did the multi-year Safety Initiatives program (passing lanes, intersection improvements, illumination) on Highways 11 and 17 across the North.
- Through the 2009 Provincial Budget, new four-laning projects also began in the Northwest on Highway 11-17 east of Thunder Bay.
- As a result, engineering and property acquisition were completed on a 5-kilometre project in Thunder Bay from Hodder Avenue to Highway 527 and on a 14-kilometre project from Mackenzie to Birch Beach further to the east. Construction is planned to begin in 2010 on both projects.
- The provincial and federal governments also demonstrated their commitment to work together to improve northern highways with the announcement of joint funding of four-lane projects in both northwest and northeast Ontario which included:
  - $72 million for a 10km project on Highway 17 from the Manitoba border towards Kenora, scheduled to begin in 2010 (subject to EA completion);
  - $128 million for an 8km project on Highway 69 south of Sudbury which began in the Fall, 2009.

Through the Winter Roads Program, residents of 31 remote communities in the Far North have more economical and safe access to services and supplies via the 3,000 kilometre winter roads network. The ministry invested $4.2 million in the construction of the winter road system in 2009-10, and has invested $22.2 million in construction and maintenance costs on the network since 2004-05.

NORTHERN ONTARIO HERITAGE FUND CORPORATION

The Northern Ontario Heritage Fund Corporation (NOHFC) continues to be an important tool in promoting economic development throughout the North. The NOHFC continued to partner with communities, businesses, entrepreneurs and youth across Northern Ontario to create jobs and strengthen the economy.

Since October 2003, over 12,950 jobs and 415 co-op placements are being created or sustained in the North as a result of approximately 3,000 projects to which the NOHFC committed more than $506 million. These investments have leveraged another $1.6 billion from project partners.

In 2009-10, the NOHFC supported many key initiatives through its programs. Since the start of the new mandate in January 2005, significant investments have been made, including:

- Over $193 million invested in local community infrastructure development and enhancement projects through the NOHFC's Infrastructure and Community Development Program;
- Over $30 million approved through the Youth Internship and Co-Op Program. This helped create over 1,500 internships and co-op placements which span the entire North, including Far North remote communities;
- Over $6.7 million invested under the Young Entrepreneur Program to over 290 businesses across the North;
- Over $84 million invested through the Enterprises North Job Creation Program aimed at creating jobs and positioning small and medium-sized businesses in the North for success;
- Over $90 million invested through the Emerging Technology Program. These investments have provided key support for the emerging film, animation, and biotechnology sectors, while also expanding broadband and cellular service capacity in the North;
- Since 2003, the government has invested over $34 million in Aboriginal communities through NOHFC programs, including Telehealth Services expansion, waterfront development and cultural attractions.

The ministry through the NOHFC also launched the Northern Ontario Entrepreneur Program in May of 2009 to better serve the unique needs of northern clients. The new program provides conditional grants of up to $125,000 to motivated entrepreneurs to help them start their own business in Northern Ontario. The criteria of NOHFC's Enterprises North Job Creation Program and the Private Sector Emerging Technology

Program were significantly enhanced to better assist northern businesses. For both programs, up to 50 per cent of NOHFC funding of $1 million may now be in the form of a conditional grant.

GROWTH PLAN FOR NORTHERN ONTARIO

The Ministry of Northern Development, Mines and Forestry along with the Ministry of Energy and Infrastructure continued working with northerners to develop a Growth Plan for Northern Ontario.

The proposed Growth Plan was released jointly in October 2009 by both ministries for public review and feedback. The proposed plan reflected input of more than 2,500 northerners who provided feedback and ideas through over 80 meetings and workshops held across Northern Ontario.

Since the plan's release in October 2009, close to 300 submissions have been received by letter, email or directly through the Places to Grow website. Approximately 1,400 northerners have participated in ten public meetings and more than 40 workshops to review and provide input on the proposed plan.

As part of the ministries' efforts to consult with Aboriginal peoples in development of the Growth Plan for Northern Ontario, ten regional workshops were held in February and March 2010. These workshops provided an opportunity for First Nations, the Métis Nation of Ontario and other Aboriginal organizations to review and provide input on the proposed Growth Plan. Additional consultation activities were supported through agreements with tribal councils, Grand Council Treaty #3, the Métis Nation of Ontario, and other provincial Aboriginal organizations.

The Ministry of Northern Development, Mines and Forestry along with the Ministry of Energy and Infrastructure are working with other provincial ministries to reflect the feedback and ideas from northerners in the development of a final plan and its implementation. A final Growth Plan for Northern Ontario is expected to be released by the end of 2010.

NORTHERN DEVELOPMENT COUNCILS (NDCs)

In 2009-10, the Northern Development Councils continued their role in providing advice on key strategic matters for Northern Ontario by focusing their input on the proposed Growth Plan for Northern Ontario.

NORTHERN ONTARIO GROW BONDS

The five-year Northern Ontario Grow Bonds Pilot Program raised nearly $13 million through the sale of Grow Bonds. The proceeds from the bond issuance were used to provide loans to northern businesses. The bonds have a five-year term with a maturity date of April 11, 2010.

In December 2009, in preparation for the wind-up of the pilot program, and the repayment of the bonds, the Grow Bonds loan portfolio was transferred to the Northern Ontario Heritage Fund Corporation.

The Northern Ontario Grow Bonds Corporation and its board will remain in place until the wind-up of the Corporation's business affairs is complete by early fall of 2010.

As the Northern Ontario Grow Bonds Program was a pilot project, an initial review was undertaken and a full evaluation of the program is underway.

GO NORTH INVESTOR PROGRAM

The GO North Investor Program continued to promote Northern Ontario investment opportunities to the world through targeted calls on foreign investors whose strategic direction is a "fit" with Northern Ontario and by promoting the capabilities and location advantages of Northern Ontario.

Dedicated International Business Development Consultants located in Europe and the U.S. made approximately 200 corporate calls and identified 50 opportunities this year. Many of these investors took the opportunity to come to Ontario and to visit potential sites in Northern Ontario. Relationships are being established and cultivated with these potential investors.

In terms of promotional activities, there were 145 insertions in target sector and general business publications regarding the business capabilities and location advantages of Northern Ontario. An internet advertising campaign also drives traffic to the GO North website which is featured as part of the Invest in Ontario website.

Several media tours were held, including a mining tour with a focus on equipment and services, and a green energy and technology tour. These tours took journalists from Europe and Asia to the cities of Timmins, Sudbury, North Bay and Sault St. Marie. These and other tours resulted in considerable coverage in business and industry publications in these markets.

There is also significant interest in government initiatives related to the development of renewable energy and the bioeconomy which is fuelling interest in Northern Ontario.

As part of GO North, the Northern Communities Investment Readiness (NCIR) initiative continued to help communities, economic development corporation and First Nations identify investment opportunities and prepare for investment attraction. Since its launch in November 2005, more than $1.8 million in NCIR funding has been approved for 202 initiatives across the North and 155 separate communities, including 53 First Nations, have benefited from NCIR funding. In 2009-10, the ministry approved 63 projects and assisted 65 separate communities including 32 First Nation communities.

ONTARIO NORTHLAND TRANSPORTATION COMMISSION (ONTC)

The ministry provided the ONTC with over $54 million of capital and operating support in 2009-10 for the delivery of passenger transportation services and its commercial rail capital program across the Northeast.

Rail Services
ONTC continues to assist and support businesses in Northeastern Ontario with the provision of reliable and competitive transportation services.

In support of economic development and prosperity in the North, ONTC continues to partner with regional tourism groups to deliver the Polar Bear Express and Dream Catcher Express, and has partnered with community and business representatives to introduce the Bike Train and operate the International Plowing Match Train.

ONTC remains committed to ensuring the safety and integrity of its rail infrastructure, and in 2009-10, invested $23.1 million in projects including installing new and relay rail; installing new railway ties; surfacing track; maintaining and upgrading bridges and culverts; maintaining stations; and renovating passenger coaches.

Motor Coach Services
Ontario Northland's Motor Coach Services Department continues to pride itself on exceptional on time performance and customer service. In late December, the organization accepted delivery of two new motor coaches. The addition of these coaches, coupled with the retirement of a couple of older coaches, allowed the agency to maintain its fleet of 25 coaches to provide service to more than 235,000 passengers. The new coaches provide for enhanced wheelchair access, additional leg room for passengers, power outlets for use of electronic equipment during travel and enhanced security for drivers.

Ontera (Telecommunications)
Ontera completed construction of its fibre optic network ring, a $23 million investment, allowing residents, businesses, and institutions in Northeastern Ontario access to a high capacity fibre optic network that provides enhanced telecommunications services. The infrastructure also supports the needs of other carriers.

Refurbishment
The ONTC delivered 85 refurbished commuter cars as of March 31, 2010, as part of its $81 million contract with GO Transit to refurbish 121 cars. The Rail Services Division is continuing to pursue future refurbishment contracts.

Partnership with Mushkegowuk Council
The Mushkegowuk Council and ONTC have agreed to a long-term planning partnership. Through this partnership, a variety of joint initiatives will be considered that could potentially benefit both parties and present strong economic development and social

impact opportunities for the Far North such as employment, service improvement, development of transportation and telecommunications infrastructure and tourism.

Moosonee-Moose Factory Ferry Service
Construction of a new passenger and cargo ferry to service the communities of Moosonee and Moose Factory continued in 2009. The new $3.5 million vessel will replace the Manitou II, which currently provides ferry services to both communities, and is expected to enter into service in late summer 2010.

OWEN SOUND TRANSPORTATION COMPANY (OSTC)

The M.S. Chi Cheemaun ferry service operates seasonally between South Baymouth, Manitoulin Island and Tobermory on the Bruce Peninsula. On average it transports over 200,000 passengers per year. The Ministry provided OSTC with $600,000 in operating assistance for the service.

OSTC completed design and construction of hydraulic wheelchair lifts for the Tobermory and South Baymouth terminal passenger ramps and both elevators were in operation for the start of the 2009 season. Total project cost was $661,644. These projects will improve accessibility for all passengers.

In 2009-10, OSTC completed a $1.1 million investment in capital improvements to the M.S. Chi Cheemaun to further meet the *Ontarians with Disabilities Act, 2001* requirements, health & safety upgrades, and ongoing capital improvement.

VIOLENCE AGAINST WOMEN PREVENTION INITIATIVE PROGRAM

The Violence Against Women Prevention Initiative (VAWPI) Program in Northern Ontario supports projects and initiatives that seek to safeguard women and children from domestic violence.

In 2009-10, the ministry provided a total of $280,000 to 94 projects across Northern Ontario. Funding recipients include family resource and sexual assault centres, public health groups, school boards, multicultural associations, women's shelters, and agencies working with people with disabilities.

SUPPORTING A PROSPEROUS MINERALS SECTOR

In 2009-10, the ministry continued its efforts to implement the Mineral Development Strategy, to attract new mineral investment and facilitate meaningful partnerships with Aboriginal communities and the mining sector.

MINERAL SECTOR HIGHLIGHTS

Ontario continued to be Canada's leading jurisdiction for the production of non-fuel minerals, and a major player in the world. The province's mineral production in 2009

was valued at $9.6 billion, with its 27 metal mines generating $6.6 billion for the economy.

Ontario led the country in exploration expenditures in 2009 with $469 million and is expected to lead again for the third time in a row in 2010. Active mining claim units remained strong in 2009 reaching 336,000.

In March 2009, Ontario joined the global stage as one of a few select countries that feature all the elements of the diamond industry—from mining to retailing – with the establishment of the Diamond Bourse of Canada. Located in Toronto, the Bourse provides a safe and secure venue for diamond dealers to buy and sell rough and polished diamonds while offering its members increased efficiency, cost savings and credibility in their international diamond dealings. The Diamond Bourse of Canada is an industry led and member supported initiative.

Ontario's first diamond cutting and polishing facility located in Sudbury, opened in August, 2009. On a yearly basis, the facility will cut and polish an estimated $25 million worth of rough stones derived from DeBeers Canada's Victor mine located in the James Bay Lowlands, about 90 kilometres west of Attawapiskat.

GEOSCIENCE MAPPING

Building on the 2008 Provincial Budget commitment to allocate $20 million over four years toward enhancing geoscience activities to identify economic opportunities across all of Ontario, the Ontario Geological Survey delivered its full complement of geoscience activities. Some highlights include: surveying projects in the Far North, delivering of bedrock and surficial geochemical geoscience surveying in support of community development in the near-north and south, a new energy-related geoscience initiative to assess the geothermal and unconventional energy potential in the South, a range of detailed groundwater-related and environmental geoscience projects in the South in support of public health and protection of source water inventories. Availability of these geoscience goods and services continues to be an important pillar in the Ministry's international marketing efforts that have attracted mineral investment into Ontario.

The modern geoscience goods and services continue to provide remote First Nation communities with data and information to support their community-based land-use planning and partnerships in private sector economic activities while informing the ministry's efforts as the government moves forward with its commitment to protect 225,000 square kilometers of the Boreal Forest.

The Ontario Geological Survey continued to work in partnership with Aboriginal communities, conservation authorities, industry, universities, other Ontario Ministries, municipalities, and the Federal Government to ensure that Ontario's geoscience knowledge is current, credible, and available to inform the range of Ontario policy priorities.

INVESTMENT MARKETING

The ministry continued building on the success of a new investment and marketing strategy. The addition of sector specific Resource Intelligence now allows the ministry to target national and international investors as well as exploration and mining companies. This new resource tracks exploration and mining companies and their projects throughout the world. Using this valuable information, over 90 mining and exploration companies were directly identified and targeted at 8 separate marketing events in 2009.

In 2008, a Google Earth-based viewing tool was developed allowing Ontario's geological information be overlain on satellite imagery of the earth's surface. In 2009 the ministry has dramatically increased access to various data sets, assessment files and OGS publications. This product increases the ease of access and use of Ontario's Geoscience information via the internet to create an effective and competitive tool for attracting investor interest.

ADMINISTRATION OF THE MINING ACT

One of the most significant measures undertaken to advance Ontario's status for mineral investment has been the modernization of the Mining Act. This ground-breaking legislation provides greater clarity and certainty to the industry by setting out a clear framework for the responsible management and sustainable development of the province's mineral resources.

The new Act promotes fair, balanced and sustainable mineral development that respects communities and the environment, and benefits all Ontarians. It will bring about positive change in the way the industry does business. Since Bill 173 received royal assent in October 2009, MNDMF has launched a new phase of consultation with industry stakeholders, First Nations and Métis and non-governmental groups to help develop the best possible regulations, programs, policies, procedures and information technology solutions that will bring the legislation to life. Different sections of the amended Act will be proclaimed in force as relevant details are developed and phased in over the next five years depending on implementation and transitional requirements.

The ministry has introduced a 'one window' coordination process for mineral development projects in Ontario, which coordinates activities relating to permitting and approvals, and defines a framework that outlines the roles, responsibilities and expectations of the various parties.

The ministry also continued work under the Abandoned Mines Rehabilitation Program. This program has been successful in eliminating or reducing environmental and physical safety hazards. Since 2003, approximately $50 million has been invested in this program.

ABORIGINAL ENGAGEMENT

The ministry has been working over the past several years to continuously improve relationships and engagement processes with Aboriginal peoples through enhanced information sharing and communication projects.

Since 2003, the government has invested over $34 million in Aboriginal communities through NOHFC programs, including Telehealth Services expansion, waterfront development and cultural attractions.

This includes investments such as $637,000 to train 120 Aboriginal youth in Red Lake for the Ontario Common Core Hard Rock Mining certificate. These investments are helping facilitate economic agreements between First Nations and the minerals sector, such as the Impact Benefit Agreement signed by DeBeers and Attawapiskat First Nation.

The ministry is also aware of more than 60 similar agreements that have been signed between First Nations and industry since 1999, at the early exploration stage right through to the extraction phases of the mining sequence.

Through the ministry's Aboriginal Relations Unit, in 2009-10 the ministry continued its efforts to support First Nations and Métis participation in the mineral sector. The ministry entered into formal funding agreements with a number of Aboriginal organizations to support their capacity development to engage with the mineral industry, including agreements with the Union of Ontario Indians, Grand Council Treaty 3, the Algonquins of Ontario, the Matawa Tribal Council, and the Métis Nation of Ontario. The agreements enabled these Aboriginal organizations to develop their capacities in a number of ways which include hiring mineral advisors and coordinators, obtaining basic skill training in GIS and values mapping and developing interim guidelines for community level engagement with the mineral industry.

In March 2010 the ministry also renewed its relationship with the Grand Council Treaty by signing a letter of commitment to further the working relationship the ministry has with the Treaty 3 First Nations.

In addition to promoting capacity development, the ministry supported First Nations and Métis participation in numerous mineral sector educational forums including the Canadian Aboriginal Mineral Association and the Prospectors and Developers Association of Canada.

FOREST SECTOR HIGHLIGHTS

Ontario's forest sector is a key component of the province's economy and is the second largest industrial sector in the province. In total, it supports almost 200,000 direct and indirect jobs in over 260 Ontario communities. Of these communities, 40 are

categorized as highly dependent on employment in the forest sector to survive. An additional 63 are identified as being moderately dependent.

Ontario forests represent two per cent of the world's total and are home to approximately 85 billion trees. Of the 71 million hectares of forested land in Ontario, fifty-seven million, or 80 per cent, are publicly owned and known as Crown forest. Approximately 13 per cent of the forested land in Ontario is held in other types of ownerships (private, First Nations, Federal, and protected areas.) The Government of Ontario oversees the management of Crown Forests, including commercial logging (harvesting) on over 26 million hectares.

The importance of our forests to the province's future has never been more apparent. Ontario has the opportunity to strengthen its position as a leading global forest jurisdiction known for:

- Sustainable management of a world class forest asset;
- An innovative, diversified and competitive forest sector;
- Aboriginal involvement and entrepreneurship in the forest sector; and
- Providing expertise in green services and technology.

To support the industry's recovery, the Ministry of Northern Development, Mines and Forestry has implemented two new initiatives in addition to continuing with existing programs designed to enhance the competitiveness of the sector.

FOREST SECTOR TENURE & TIMBER PRICING REVIEW

In the March 26, 2009, provincial budget, Finance Minister Duncan signaled Ontario's forest tenure and timber pricing systems would be reviewed with the aim of exploring options to improve their design.

On August 27, 2009, the ministry announced a comprehensive review aimed at modernizing Ontario's Forest Tenure and Timber Pricing System. In addition, a discussion paper entitled "Ontario's Forest, Ontario's Future – Modernizing Ontario's Forest Tenure and Pricing System" was released.

A more flexible and open forest tenure and timber pricing system is crucial toward building a new economy and creating a brighter future in forestry and Northern Ontario.

The ministry consulted widely with industry, environmental groups, Aboriginal communities and the broader public, and drew on a range of expertise, information and perspectives on ways to restructure and improve the current tenure system.

Public Sessions and Round Table discussions were held in September/October in eight communities across Ontario to facilitate this review: Sault Ste. Marie, Timmins, Hearst, Dryden, Thunder Bay, Marathon, Huntsville and Pembroke.

In March 2010, ministry staff presented their findings to Cabinet and received approval to proceed with further consultations on how to implement the desired framework. These consultations will continue into 2010/11.

STAGE II: PROVINCIAL WOOD SUPPLY COMPETITIVE PROCESS

On January 20, 2009, the Ministry of Natural Resources (MNR) launched the first stage of a competitive process for Crown Wood Supply: a Request for Expressions of Interest (RFEI) for unused Crown forest resources. The purpose of this competitive process was to determine level of interest and if a wood supply competitive process was warranted. A total of 131 submissions from Canadian and international proponents were received with a wide range of new proposals, such as biofuels, biochemicals, wood pellets, combined heat and power projects, composites and other value-added uses. This included 143 proposed facilities, 55% of which proposed making wood pellets.

Building on the strong interest expressed in the first stage, the Ministry of Northern Development, Mines and Forestry launched the Stage II: Provincial Wood Supply Competitive Process on November 26, 2009. The intended outcome is to offer letters of intent for wood supply to successful proponents.

Proponents had until March 31, 2010, to submit proposals, which will be evaluated based on the proponent's management experience, financing and investment, economic and financial viability, operating feasibility, wood supply, aboriginal benefits as well as other economic and environmental benefits.

Stage III of the process will occur after the Minister has issued a letter of intent to potential successful proponents to enter into a supply agreement, and will focus on the implementation of successful business plans. This phase of the competition will be coordinated with the Tenure and Timber Pricing Reform project to ensure a smooth transition and minimize disruptions within the forest industry.

FOREST SECTOR PROSPERITY FUND

The Forest Sector Prosperity Fund (FSPF) is a three-year conditional contribution program for forest products industry capital transformation and accelerated electricity transition initiatives. The objective of the program is to target and leverage new forest sector capital investments in energy conservation and co-generation, energy generation from biomass, load management, value-added manufacturing, improved wood fibre efficiency, advanced materials handling and efficiencies and new environmental technologies.

To date, $129.6 million has been committed to assist 37 mills. In 2009/10, $50.6 million was offered towards 16 projects.

FOREST SECTOR LOAN GUARANTEE PROGRAM

The Forest Sector Loan Guarantee (LG) Program is a financial mechanism designed to support the forest sector revitalization initiative. The goal of the program is to stimulate private sector investment in capital projects to improve the forest sector's competitive advantage, mitigate credit risk to encourage commercial lenders' participation in infrastructure financing and enhance the operational viability of projects through access to reasonably priced financing.

To date, $129.9 million has been committed to assist 13 mills.

In 2009/10, $36.8 million was offered toward two projects.

- To date, the FSPF and LG programs have levered over $870 million in total investment.
- In 2009/10, the FSPF and LG programs levered $450.3 million in total investment - well above the $200 million objective.

WOOD PROMOTION PROGRAM

In its fourth year of operation the Wood Promotion Program (OWPP) continued to deliver $1 million per year to support and foster development of economic activity in value-added wood manufacturing, expansion of domestic and international markets for new and existing value-added wood products, development of skills, knowledge and new technologies to support an expanded value-added wood products sector and establishment of a gateway for emerging companies and entrepreneurs to access new markets, education, training, technology transfer and applied research and development.

2009 brought continued support to the Canadian Wood Council's Wood WORKS! initiative which promotes the use of wood products in industrial and commercial applications. This important initiative increases the domestic demand for value-added forest products and seeks to influence those responsible for design and construction of non-residential buildings.

Support was given to the Ontario Wood Products Export Association for a number of projects to increase and influence export demand for value-added forest products and to determine which markets Ontario producers might have the most success in pursuing.

Another year of financial support was given to FPInnovations' Northern Ontario Value-Added Initiative (NOVA) to spur interest in the value-added industry among entrepreneurs and assist current SME's with market/product development and efficiencies in their current production processes.

Assistance was also provided for the development of skills and knowledge needed to prepare the next generation of value-added workers through funding for:

- the University of Toronto to develop undergraduate and graduate programs in forest biomaterials and engineering;
- Lakehead University to enhance technical support to the wood products industry through a partnership with Forintek, and an enhancement of the university's wood science facilities;
- Conestoga College to provide scholarships to attract students to a new four-year applied woodworking program;
- Confederation College to develop a specialized training program; and
- Ontario Wood *WORKS!* for the administration and awards for a student wood design competition to promote and spur interest in ingenuity and creativity in wood design.

NORTHERN PULP AND PAPER ELECTRICITY PROGRAM

The Northern Pulp and Paper Mill Electricity Transition Program provides interim electricity cost relief for the forest sector to allow it to transition to a new competitive, sustainable business platform. The program targets energy intensive pulp and paper companies in northern Ontario. The quarterly electricity rebate effectively reduces the cost of purchased electricity by 15%. In order to qualify for the program, participants must provide an electricity transition plan outlining how they will adapt to full pricing after the rebate program ends. The transition plan must demonstrate how the company's purchased electricity consumption and/or cost per unit of production will be reduced over the three-year period.

The rebate rate was increased from $7 per MW hour to $18 per MW hour in October 2009, which significantly enhanced the competitiveness of the participating mills. Participating mills received $25.1 million in electricity rebates for fiscal year 2009/10 and $103 million to date over the life of the program. These funds have helped the mills to implement energy savings measures such as the installation of a new bio-mass boiler and lower self-generated electricity costs.

PROVINCIAL FOREST ACCESS ROADS FUNDING PROGRAM

The Minister's Council on Forest Sector Competitiveness (June, 2005) recommended that the provincial government assume its proportional share of the costs of building and maintaining the public access road network in provincial crown forests; and that proportion be defined as 100% primary road costs, and 50% of branch/secondary road costs.

On September 29, 2005, the government announced $28.0 million in annual contributions available to the forest industry for its share of primary road maintenance costs in 2005/06. On February 22, 2006, the government announced an additional $47.0 million in annual contributions to the roads program to support the construction and maintenance costs of both primary and branch\secondary forest access roads.

This was in addition to the previously announced $28.0 million for a total of $75.0 million annually.

As of April 12, 2010, $325.3 million has been reimbursed to the forest industry as part of the government's share of constructing and maintaining public forest access roads. The 2010-2011 program will be underway soon with $75.0 million available to the forest industry again.

The government continues to partner with FPInnovations – FERIC Division for the development and transfer of road construction and maintenance techniques and log hauling technologies to assist the forest industry in maximizing the use of the program funding in their woodland operations.